

Message Text

LIMITED OFFICIAL USE

PAGE 01 DACCA 02825 01 OF 02 230621 Z

15

ACTION NEA-12

INFO OCT-01 IO-13 ADP-00 CIAE-00 DODE-00 PM-07 H-02 INR-10

L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-12

AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20 RSR-01 STR-08

CEA-02 SCEM-02 INT-08 /193 W
----- 032599

R 230413 Z JUN 73

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 0126

INFO AMEMBASSY NEW DELHI

AMEMBASSY ISLAMABAD

USMISSION USUN NEW YORK

LIMITED OFFICIAL USE SECTION 1 OF 2 DACCA 2825/1

E. O. 11652: ADS DECON 6/22/74

TAGS: EAID, EFIN, BG

SUBJECT: FY 1974 ANNUAL DEVELOPMENT PLAN OUTLINE AND BUDGET OF
BANGLADESH

REF: DACCA 2810

BEGIN INTRODUCTION AND SUMMARY: MINISTER OF FINANCE
TAJUDDIN AHMED PRESENTED ANNUAL BUDGET FOR FY 74 TO PARLIAMENT
JUNE 14. ISSUED CONCURRENTLY FY 73 REVISED BUDGET. DEVELOPMENT
AND RECONSTRUCTION PORTION REPRESENTS 13 PERCENT INCREASE OVER
LAST YEAR WITH PROJECTED TOTAL AID SHARE DECREASING FROM 80
PERCENT (REVISED BUDGET FY 73) TO 67 PERCENT \$493 MILLION OUT OF
ADP TOTAL \$735 MILLION). BUDGET ALLOCATIONS DO NOT APPEAR TO
SUPPORT MULTIPLE GOALS OF ADP' S DEVELOPMENT STRATEGY. RATHER
INDUSTRIAL PRODUCTION AND CONSUMER SERVICE EMPHASIS TAKE
PRIORITY OVER RURAL DEVELOPMENT AND AGRICULTURAL PRODUCTION.
END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 DACCA 02825 01 OF 02 230621 Z

1. DEVELOPMENT BUDGET (IN TAKA MILLION; \$1.00 EQUALS TK 7.2)

72-73 73-74

DEVELOPMENT EXPENDITURE		REVISED	BUDGET
AGRICULTURE	877.5	869.5	
RURAL INSTITUTION	293.2	306.7	
WATER & FLOOD CONTROL	310.8	332.0	
SUB- TOTAL	1481.5	1508.2	
INDUSTRIES	275.3	754.1	
POWER, NATURAL RESOURCE & SCIENTIFIC RESEARCH	246.1	492.9	
TRANSPORT & COMMUNICATION	574.0	789.9	
PHYSICAL PLANNING & HOUSING	143.7	235.4	
EDUCATION & TRAINING	173.2	349.2	
HEALTH	125.0	323.7	
SOCIAL WELFARE & EMPLOYMENT	10.0	46.3	
TOTAL DEVELOPMENT EXPENDITURE	3028.8	4499.7	

2. FY 74 ADP RECONSTRUCTION AND REHABILITATION (R/ R)
 EXPENDITURE DROPS FROM FY 73 ADP LEVEL 1827 MILLION TO REVISED
 BUDGET LEVEL OF 1578. FY 74 R/ R BUDGET IS 753.8 MILLION.
 THIS DECREASE ACCOUNTED FOR BY TERMINATION OF REHABILITATION
 EXPENDITURES AND THE REDUCTION IN RECONSTRUCTION EXPENDITURES.

3. FOLLOWING TABLE COMPARES FY 73 ADP, FY 73 REVISED BUDGET
 AND FY 74 ADP FIGURES FOR DEVELOPMENT AND RECONSTRUCTION
 (MILLIONS OF TAKA).
 LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 DACCA 02825 01 OF 02 230621 Z

FY 73 ADP	FY 73 REVISED	FY 74 ADP
DEVELOPMENT 3183	3029	4499.7
RECONST-		

RUCTION	1827	1598	753.8
TOTALS	5010	4627	5253.5

4. THE FY 73 ADP BUDGET OF TK 5010 MILLION WAS TO BE FINANCED BY TK 3750 MILLION OF AID, 650 MILLION NET SURPLUS AND 610 MILLION IN DOMESTIC LOANS. THE REVISED BUDGET OF 3978 MILLION WAS FINANCED BY 3183 MILLION OF AID (EXCLUDING FOOD), 157 MILLION NET SURPLUS AND BORROWINGS OF 638 MILLION. TK 650 MILLION DISCREPANCY BETWEEN TOTAL ADP RESOURCE FIGURE OF 3978 MILLION AND THE REVISED FIGURE OF 4627 MILLION IS UNEXPLAINED, AND SUGGEST FURTHER ADP CURTAILMENT AND/ OR ADDITIONAL DEFICIT FINANCING.

5. FY 74 BUDGET SURPLUS OF TK 1000 MILLION, PLUS PROJECTED AID DISBURSEMENTS OF TK 3520 MILLION AND ADDITIONAL INTERNAL REVENUES OF TK 726 MILLION WILL FINANCE THE DEVELOPMENT BUDGET OF TK 5254 MILLION (INCLUDING TK 754 MILLION FOR RECONSTRUCTION). PERCENTAGE AID OF FY 73 ADP, FY 73 REVISED BUDGET, AND FY 74 ADP ARE 75.80 AND 67 PERCENT RESPECTIVELY. REF PARA 1 LAST LINE DEVELOPMENT EXPENDITURE INCREASE OF 49 PERCENT BETWEEN FY 73 TO FY 74 DOES NOT KEEP PACE WITH INFLATION. FY 74 DEVELOPMENT PLAN IS SMALLER THAN FY 73 PLAN IN REAL TERMS.

6. FY 74 ADP STRATEGY IS: (1) STRIVE FOR FOOD SELF- SUFFICIENCY; (2) EFFICIENT MANAGEMENT OF ALL INDUSTRIES; (3) DEVELOP SELF- RELIANCE; (4) CREATE EMPLOYMENT OPPORTUNITIES AND ORGANIZE VOLUNTARY LABOR IN NATION BUILDING WORKS; (5) EXPAND STRICT CONTROL OVER DISTRIBUTION SYSTEM; (6) REDUCE AND STANDARDIZE PRICE; (7) EXTEND PUBLIC AND CIVIL SERVICE TO COMMON MAN; AND (8) ENSURE EQUITABLE DISTRIBUTION OF SACRIFICE.

7. DESPITE LISTING OF FOODGRAIN SELF- SUFFICIENCY FIRST, AGRICULTURE, RURAL INSTITUTIONS, AND WATER AND FLOOD CONTROL SHOW DROP FROM 49 LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 DACCA 02825 01 OF 02 230621 Z

PERCENT OF PLAN OUTLAYS TO 34 PERCENT. THERFORE, FEEL QUOTE ADEQUATE PROVISIONS UNQUOTE HAVE NOT BEEN MADE FOR WHOLE ARRAY OF AGRICULTURAL INPUTS. FY 74 FOODGRAIN PRODUCTION TARGET OF 12.08 MILLION MT HOWEVER IS 12 PERCENT ABOVE PRESENT FY 73 PROJECTIONS.

LIMITED OFFICIAL USE

NNNNMAFVVZCZ

ADP000

LIMITED OFFICIAL USE

PAGE 01 DACCA 02825 02 OF 02 230601 Z

12

ACTION NEA-12

INFO OCT-01 IO-13 ADP-00 CIAE-00 DODE-00 PM-07 H-02 INR-10

L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-12

AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20 RSR-01 STR-08

CEA-02 SCEM-02 INT-08 /193 W
----- 032528

R 230413 Z JUN 73

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 0127

INFO AMEMBASSY NEW DELHI

AMEMBASSY ISLAMABAD

USMISSION USUN NEW YORK

LIMITED OFFICIAL USE SECTION 2 OF 2 DACCA 2825/2

8. PLAN EMPHASIS ON INDUSTRIAL PRODUCTION, POWER AND TRANSPORTATION REFLECTED IN INCREASE FROM 36 TO 45 PERCENT OF BUDGET OUTLAYS. SIMILARLY, EMPHASIS ON HOUSING, EDUCATION, HEALTH AND WELFARE INCREASED FROM 15 TO 21 PERCENT OF OUTLAYS AND PROBABLY HAS CONSIDERABLE URBAN BIAS.

9. INTEGRATED RURAL DEVELOPMENT PROGRAM TO EXPAND FROM 89 TO 150 THANS DURING FY 74. TK 50 MILLION OF 380 MILLION (307 DEVELOPMENT PLUS 73 RECONSTRUCTION) FOR RURAL INSTITUTIONS IS EARMARKED FOR COOPERATIVES. RURAL WORKS PROGRAM IS ALLOCATED 215 MILLION, UP FROM 141 MILLION IN FY 73.

10. COMMENT: BUDGET NOTABLE FOR TOTAL LACK MENTION COST OF POPULATION GROWTH AND CONSEQUENT NEED FOR ITS CONTROL. FYI. UNDERSTAND FROM PC, 70 MILLION OF 324 MILLION TAKAS HEALTH SECTOR ALLOCATION EARMARKED FOR FAMILY PLANNING. PC HOPEFUL THIS CAN BE 100 PERCENT DONOR FINANCED. END FYI. FURTHER, OUR IMPRESSION AND THOSE OF OTHER OBSERVERS IS THAT PLAN ALSO DEFICIENT IN TERMS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 DACCA 02825 02 OF 02 230601 Z

OF SPECIFICS, FOREIGN EXCHANGE BUDGET AND EFFORTS TO TAX LUCRATIVE REVENUE BASES AND MOBILIZE ECONOMY. FINAL DOCUMENT APPEARS TO HAVE BEEN DRAFTED WITH EYE TO ITS ACCEPTANCE BY PARLIAMENT.

11. POUCHING COPIES WASHINGTON.
NEWBERRY

LIMITED OFFICIAL USE

NNNNMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 23 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973DACCA02825
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: DACCA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730630/aaaajqtd.tel
Line Count: 231
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 DACCA 2810
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 03 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03-Oct-2001 by kelleyw0>; APPROVED <07-Dec-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> srp 980227
Subject: FY 1974 ANNUAL DEVELOPMENT PLAN OUTLINE AND BUDGET OF BANGLADESH
TAGS: EAID, EFIN, BG
To: NEA
SECSTATE WASHDC INFO ISLAMABAD
NEW DELHI
USUN NEW YORK
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005